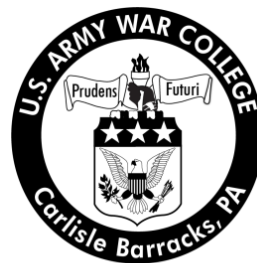


# Strategy Research Project International Fellow

## The Future of NATO

by

Lieutenant Colonel Kim Schmidt  
Danish Army



United States Army War College  
Class of 2012

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REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. <b>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.</b>					
1. REPORT DATE (DD-MM-YYYY) 15-03-2012		2. REPORT TYPE Strategy Research Project		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE The Future of NATO				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Lieutenant Colonel Kim Schmidt				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Professor William J. Flavin U. S. Army Peacekeeping and Stability Operations Institute				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) U.S. Army War College 122 Forbes Avenue Carlisle, PA 17013				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT  Distribution: A					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT For more than 60 years, the North Atlantic Treaty Organization (NATO) has united the West, kept Europe secure and seen the end of the cold war due to the collapse of the Soviet Union and the dissolution of the Warsaw Pact. At the strategic level, the greatest evolution in NATO since the end of the Cold War is the transition of NATO from a static defense force to an expeditionary force. NATO has deployed forces to remote and vast areas of the world for a decade. At the same time European national defense, budgets have fallen consistently. American public opinion toward Europe has fallen similarly and the majority of Americans think that the U.S. spends too much on the security of Europe. The alliance has restructured the number of NATO members have expanded and a new strategic concept is under implementation. This research paper analyzes NATO's transatlantic cohesion. It discusses the future of NATO in the light of the new strategic concept and the obvious disagreement between Europe and America on how to set priorities and allocate resources.					
15. SUBJECT TERMS New Strategic Concept, Smarter Defense, Burden-sharing, NATO					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT  UNLIMITED	18. NUMBER OF PAGES  26	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UNCLASSIFIED	b. ABSTRACT UNCLASSIFIED	c. THIS PAGE UNCLASSIFIED			19b. TELEPHONE NUMBER (include area code)



# USAWC STRATEGY RESEARCH PROJECT

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Lieutenant Colonel Kim Schmidt  
Danish Army

Professor William J. Flavin  
Project Adviser

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U.S. Army War College  
CARLISLE BARRACKS, PENNSYLVANIA 17013



## **ABSTRACT**

AUTHOR: Lieutenant Colonel Kim Schmidt  
TITLE: The Future of NATO  
FORMAT: Strategy Research Project  
DATE: 15 March 2012      WORD COUNT: 5,710      PAGES: 26  
KEY TERMS: New Strategic Concept, Smarter Defense, Burden-sharing  
CLASSIFICATION: Unclassified

For more than 60 years, the North Atlantic Treaty Organization (NATO) has united the West, kept Europe secure and seen the end of the cold war due to the collapse of the Soviet Union and the dissolution of the Warsaw Pact. At the strategic level, the greatest evolution in NATO since the end of the Cold War is the transition of NATO from a static defense force to an expeditionary force. NATO has deployed forces to remote and vast areas of the world for a decade. At the same time European national defense, budgets have fallen consistently. American public opinion toward Europe has fallen similarly and the majority of Americans think that the U.S. spends too much on the security of Europe. The alliance has restructured the number of NATO members have expanded and a new strategic concept is under implementation. This research paper analyzes NATO's transatlantic cohesion. It discusses the future of NATO in the light of the new strategic concept and the obvious disagreement between Europe and America on how to set priorities and allocate resources.





## THE FUTURE OF NATO

Western democracies formed NATO in 1949 to counter the threat of a Soviet invasion of Europe. NATO did a very good job in the Cold War era and the result was that the Soviet Union and the Warsaw Pact collapsed more than 20 years ago. After the fall of the Soviet Union, NATO members agreed that the alliance should continue to exist because there was still a potential threat from instable and newly formed former eastern bloc Warsaw Pact countries. Since 9/11, NATO has shifted its focus from the defense of Europe to conduct full spectrum military operations not only in the trans-Atlantic area of responsibility but also beyond NATO territory.

Right now NATO has 28 member nations. Expanding and encompassing former eastern bloc countries are essential to NATO. Equivalently, it has been very essential for the eastern European former Warsaw Pact nations to get a NATO membership in order to raise their security level against regional aggression from their big neighbor and former alliance partner Russia. As NATO has expanded the risk of conflict and war in Europe has almost vanished. However, NATO has recognized the need for transformation. There is no longer a need for a NATO structure that can counter the threats from the Cold War. Instead, NATO has to transform to meet the challenges of the 21<sup>st</sup> century. The NATO Atlantic Command in Norfolk, Virginia changed to Allied Command Transformation (ACT), which implies that NATO has seen the need to transform. The NATO Response Force (NRF) has been formed as a multinational force that can deploy rapidly to wherever NATO decides to meet the security challenges of the world. NATO engages with and is still engaged in major conflicts in the world. In

recent days, the NATO-led mission to protect the population of Libya has just ended, which is a present day example of NATO's engagement.

Even though we have seen radical changes in NATO and despite NATO's success in various operations all over the world there are still discussions going on about the future of NATO and what role NATO should play. The overall problem for NATO is the disagreement among European countries about NATO's role, the limited European defense effort, and lack of will to spend more money on defense. This European standpoint creates American unwillingness to invest more in European defense. The former American Secretary of Defense Robert Gates has repeatedly emphasized that from a U.S. perspective the European countries are not contributing enough to the alliance. He has for example expressed it this way: "If current trends in the decline of European defense capabilities are not halted and reversed, future U.S. political leaders— those for whom the Cold War was not the formative experience that it was for me – may not consider the return on America's investment in NATO worth the cost."<sup>1</sup> Only five of the 28 member countries achieve the defense-spending target of 2 % of GDP.<sup>2</sup> Defense budgets have fallen consistently, despite major operations in Iraq and Afghanistan. There is a general demilitarization of Europe. The financial crises and the general lack of a direct security threat to Europe have made the European governments collect the peace dividend. From a U.S. perspective, the problem is that the U.S. is paying for European security and is paying an excessive part of the investments in military capabilities because Europe does not.

The U.S. share of NATO defense spending has risen to more than 75% and still NATO lacks many capabilities.<sup>3</sup> Especially there is a need for intelligence, surveillance

and reconnaissance assets as well as strategic lift aircrafts, helicopters and air refueling assets.<sup>4</sup> The European countries have still more than 2 million ground troops under arms<sup>5</sup> of which approximately 40,000 are deployed. The European deployment rate is in other words 2%.<sup>6</sup> This is far less than the U.S. deployment rate of around 10% (1,425,000 active duty and 140,000 deployed).<sup>7</sup>

However, from a U.S. perspective this is not the only concern. Europe is divided between members that only want a soft approach and who want to specialize in humanitarian operations, nation building and development, peacekeeping operations and talking tasks and on the other hand, those members that conduct the hard approach and take part in combat operations.<sup>8</sup> Therefore, NATO is in a situation where many European members are not willing or able to bear the burden and pay the price of alliance commitments.<sup>9</sup> From this data, it is obvious that the unity of the European countries, as far as security commitment is concerned, does not exist. The European as well as the trans-Atlantic cohesion is not that strong and may break, not only from an economical point of view but also from a political point of view, if additional pressure is put on Europe.

To cope with these challenges NATO will implement a new strategic concept. This new strategic concept is designed to prepare NATO for the future; it addresses specifically the issues that are a major disagreement between the U.S. and Europe, i.e. burden-sharing. The new strategic concept comprises an element called “Smarter Defense”. Smarter Defense comprises a solution to the burden-sharing problem. The aim of Smarter Defense is to get the European NATO members to pool their sparse resources and invest collectively in the capabilities that the alliance needs for the benefit

of all NATO members.<sup>10</sup> Hereby it is the hope that the countries will be able to collectively to provide more military capability and at the same time reduce their military budgets. This paper will focus on the trans-Atlantic cohesion and the differences between the U.S. and Europe. The paper will analyze the future of the trans-Atlantic relationship in the light of the new strategic concept and the challenge to provide more military capability for less money.

### Political Issues

Prior to the NATO summit at Lisbon, in November 2010, where NATO adopted Smarter Defense, NATO faced many problems. NATO was deeply engaged in an ever more problematic mission in Afghanistan facing economic and financial crises. There was disunity among NATO members about fundamental matters regarding the threat to the western world, NATO's "character, role, tasks, and policy"<sup>11</sup> and probably most damaging to the alliance was the weakening solidarity among the NATO members themselves. Furthermore, with an increased number of members there were "quite divergent threat perceptions among allies and, finally, NATO's image – particularly in the Muslim world – of being an instrument of U.S. policy or of being a relic of the Cold War."<sup>12</sup>

This weakening solidarity and growing division among many of the allies is based on different threat perceptions, the challenge to the alliance, and to the individual nation. The Europeans focus on their continent itself, i.e. the future of Russia, the evolving threats to energy delivery and the security of cyberspace. The American focus is elsewhere. After the end of the Cold War, the United States is less concerned about European security. The BRIC countries (Brazil, Russia, India and China) are rising.<sup>13</sup> These countries are emerging and becoming stronger international players and have an

economic growth that surpasses all other countries. Due to this the American focus is shifting from Europe and is more on Asia and the Middle East, including Iran, Iraq, Afghanistan, Pakistan and China. From an American perspective NATO need to become a more global actor and have power projection capabilities where the new economic powers are emerging.<sup>14</sup> Even though the United States is still the only super power in the world and can act on its own it is also striving for alliances and legitimacy for its actions. The problem with that American wish for NATO to become a more global actor is that other European NATO members do not necessarily see the world in the same way or see the security threats in the same way as the U.S. does. Many of the new NATO members were in the past members of the Warsaw Pact. After the end of the Cold War, many of them felt that the biggest threat to their security came from their former ally, Russia.<sup>15</sup> For the former Warsaw Pact member nations NATO is the security provider they needed. Their incentive to support a far-reaching NATO is probably not that big.

The world's political Center of Gravity (CoG) has shifted away from Europe. There are no conventional military threats towards NATO's territory. Due to the shift in CoG, the United States has argued for a more ambitious and more far-reaching role for NATO.<sup>16</sup> Generally, France and Germany are opposed to this. They see that the U.S. uses NATO as a springboard for further U.S. interests outside of Europe.<sup>17</sup> Germany and France have remained strong critics of transforming NATO into a global security player.<sup>18</sup> Therefore, the issue is whether NATO should follow the global path, led by the U.S., and engage in global security issues or instead keep its focus on the collective defense of its member states.<sup>19</sup>

The position of France and Germany shows that the coherent European NATO commitment is declining. The former U.S. Secretary of Defense Robert M. Gates has warned of the danger of NATO to become a “two tiered-alliance of those who are willing to fight and those who are not.”<sup>20</sup> Only a handful of members i.e. the United States, Canada, the Netherlands, the United Kingdom, Denmark, Romania, as well as non-NATO member Australia, have been willing to send troops in harm’s way in the most dangerous places in the south and east of Afghanistan.<sup>21</sup> Not all NATO members are willing to send their soldiers in harm’s way. Influential European nations such as Germany, Italy and Spain are providing soldiers for the NATO mission in Afghanistan but they restrict what their troops can do. Contingents from these nations are under NATO command but there are caveats to what engagements they can take part in.<sup>22</sup> The problem for these nations is that there is no public will in their countries to risk the lives of their soldiers, especially not when the fight takes place in remote areas of the world. The problem is that for too many Europeans the conflicts in Iraq and Afghanistan are not anticipated to be a European problem. They cannot see that these conflicts have an impact on their lives and society. When the public cannot see a need then the politicians is not likely to implement is because political will goes hand in hand with public will.

Since 9/11, there has been a “steady deterioration in the political and security aspect of the trans-Atlantic relationship.”<sup>23</sup> Just after the 9/11 attacks the sympathy was with the U.S. The French newspaper Le Monde proclaimed, “We are all Americans.”<sup>24</sup> The day after the attack NATO addressed the issue, invoked Article 5 of the treaty, and pledged full support of the U.S. To Europe’s surprise and dissatisfaction, the U.S.

declined the support of NATO and went to war in Afghanistan on its own.<sup>25</sup> Two years later the crack in the alliance widened even further as NATO refused to support the invasion of Iraq.<sup>26</sup> The fact that the U.S. invaded Iraq knowing that neither NATO nor the key permanent members of the United Nations Security Council (UN) would approve of it caused a trans-Atlantic split in the alliance. The U.S. created a coalition of the willing and disregarded the opinion of the international community. The Europeans perceived it as if the U.S. did not believe in the values and principles of NATO.<sup>27</sup>

Despite the differences in views among the Americans and the Europeans and although the U.S. would like to see Europe contribute more to NATO, approximately 70,000 non U.S. troops are deployed in NATO's missions around the world. "More than forty nations contribute to the International Security Assistance force in Afghanistan (ISAF)."<sup>28</sup> If the U.S. instead of NATO ran the operation in Afghanistan, most of these nations would not likely put troops in there.<sup>29</sup> In other words "NATO provides the United States with legitimacy for action that does not accrue to coalitions of the willing, and it allows the Europeans to project power in a way that they cannot do on their own."<sup>30</sup> So from that perspective, NATO is a valuable asset for the U.S. as well for the Europeans. To summarize the political issues between the U.S. and Europe, it is a matter of difference in perspective. The Europeans still see NATO as the regional security organization. They still perceive the U.S. as the rescuer that will come to their assistance if they are under attack. In contradiction, the U.S. has a more global perspective. The U.S. wants NATO to transform into a global security player that deals with security issues all over the globe.

## Economy

“During the Cold War, the Soviet threat was a sufficient justification to shield the defense budgets from cutbacks.”<sup>31</sup> The threat today from “international terrorism has few of the same unifying features.”<sup>32</sup> Terrorism is not seen to be as big a threat to the NATO member’s vital interests as the Warsaw Pact was. “The lessons of Iraq and Afghanistan are that interventions that last longer than the First and Second World Wars combined are no longer feasible for cash-strapped western governments with ballooning fiscal deficits.”<sup>33</sup> It is a fact that of the 28 members of NATO only five are spending the agreed 2% of GDP on their militaries.<sup>34</sup> In recent years, the world has seen a major financial crisis in the western world. In the U.S., a deficit super committee could not agree on a financial plan for the future. In Europe, the debt of some countries is so severe that there is a risk that the Euro will collapse. From an American perspective, the Europeans are spending far too little on their military and the result is that the U.S. has to bear a bigger burden of the costs. The U.S. has to compensate for and provide the capabilities that the Europeans do not have as the U.S. did in the Libyan operation. In the first place, not that many European countries took part in the operation but those that did were actually not able to do it without the support of the U.S. The stocks of ammunitions in the European countries were simply not even big enough to last for an 11 week bombing campaign and the U.S. had to step in and fill the empty European ammunition depots.<sup>35</sup> Giles Merritt from the think tank Security & Defence Agenda put it this way, “The Americans are going to be complaining about the lack of European support for a long time to come.”<sup>36</sup> “The technological gap between the Europeans and Americans is widening all the time. The Americans are going to find us useful as fetchers and carriers.”<sup>37</sup>



Defense cuts are politically and financially unavoidable, not only in Europe but also in the U.S. Even today, the majority of European countries are not spending nearly close to the agreed level of investments and the U.S. has reacted to that through the criticism from former Secretary Gates. Despite the American standpoint, more reductions are still to come. The war in Iraq has ended. The end-state for the war in Afghanistan is approaching rapidly and soon NATO members will reduce the bulk of their forces there and bring them home. Big defense expenditure cuts are underway in all NATO countries. Germany will have reduced the military spending by 11 billion euro in 2014.<sup>38</sup> Denmark will reduce the military budget by 3 billion kroner (400 million euro) which is 15% of the military budget. Additional European countries such as the U.K., France, Italy, Spain and Greece are also planning to cut deeply in their military budgets. The planned 10 to 20 % cuts in the U.K. budget worry the U.S. most.<sup>39</sup> The key question is how European allies will manage these cuts. There is a need for greater industrial defense specialization, pooling of resources and more cooperation. NATO will go nowhere as long as the Europeans fail to harmonize their military equipment. The establishment of a new program of defense cooperation between the U.K. and France in late 2010, the U.K.-France Defense Cooperation Treaty, is a step in the right direction. "This co-operation is intended to improve collective defence capability through U.K. and French forces working more closely together, contributing to more capable and effective forces, and ultimately improving the collective capability of NATO and European Defence."<sup>40</sup> The cooperation entails the development of a Combined Joint Expeditionary Force (CJEF). These nations share equipment and use each other's nuclear research centers. In addition, they will develop joint military doctrines and

extend bilateral acquisition of equipment.<sup>41</sup> “Until and unless the political will is generated in Europe to address the problems of declining defence expenditure, ineffective defence procurement and duplication in the defence industries, Europe’s military weakness will continue to create trans-Atlantic disputes over burden sharing.”<sup>42</sup>

NATO needs to align the mismatch between its wishes and the resources its members provide. From a NATO perspective, the trick is to implement Smarter Defense and pool resources. Smarter Defense has to solve that problem; otherwise, it will be very difficult for NATO to continue as the Western security alliance. “The challenge for NATO is not the development of what NATO wants to do, should do, or feels compelled to do. The challenge for NATO is to match its level of ambition with its political will to resource the means to accomplish its ambition.”<sup>43</sup>

### New Strategic Concept

At the Lisbon summit in November of 2010, NATO agreed upon a new strategic concept. Prior to the Lisbon meeting there were extensive discussions among alliance members about the future of NATO and NATO's role. Apart from the disputes on economics, some member countries had concerns about combat missions in Afghanistan. There is unease with U.S. nuclear weapons still in Europe and the relationship with Russia. “The Alliance has expanded to include countries whose primary goal has been to seek protection from Russia, who, by them, is seen as a potential threat.”<sup>44</sup>

Despite all these concerns NATO came out of the Lisbon summit revitalized and ready for the future. This new strategic concept will take NATO into the 21<sup>st</sup> century and prepare NATO for future challenges. The new concept is a restatement of NATO’s core commitment to collective defense, as outlined in Article 5 of the North Atlantic Treaty.

However, the new concept recognizes that there is little likelihood of an orthodox military assault across the alliances' borders. Most of the threats NATO faces are of the unconventional kind: from terrorism, rogue states with weapons of mass destruction, and cyber attacks on critical infrastructures such as power installations. The new concept outlines three core tasks, Collective defense, Crisis management and Cooperative security.<sup>45</sup> As far as Collective defense is concerned, NATO must have the capability to counter the conventional military threat but more importantly, NATO must also have a defense against ballistic missiles and cyber attacks. NATO will contribute to energy security and look into the impact of emerging technologies. The Crisis management task is defined by enhanced intelligence sharing, an appropriate but modest civilian crisis management capability, and a capability to train and develop local forces in crisis zones, and furthermore, to train civilian specialists from the member states so they are available for rapid deployment. Cooperative security comprises disarmament; the vision is to get rid of nuclear weapons. Further enlargement of NATO is still anticipated. The new concept also mentions the need for the modernization of NATO's armed forces.<sup>46</sup>

At the upcoming NATO summit in Chicago, May 2012 NATO Secretary Rasmussen has, based on the Lisbon agreement, outlined four goals in order to implement Smarter Defense and to bring NATO forward. The first goal is to agree on a strategic plan for Afghanistan beyond 2014 at the end of the transition period. The second goal is to approve the mix of capabilities i.e. conventional, nuclear and missile defense. The third goal is to declare an interim operational capability for NATO's territorial missile defense. The fourth goal is to discuss Smarter Defense and to endorse

a package of specific military capabilities that NATO needs. He wants the member states to commit themselves to deliver the capability improvements that NATO needs.<sup>47</sup> His idea with Smarter Defense is not to spend more but to spend better. He sees three imperatives – to prioritize, to specialize and to seek multinational solutions.<sup>48</sup> He wants to prioritize the capabilities that the alliance needs the most. At the NATO Lisbon summit in 2010, the allies committed to focus their investment on eleven areas where the alliance has the most need. These areas are missile defense, cyber defense, countering roadside bombs, medical support, transport capacity (helicopters, strategic lift and air refueling), command and control, intelligence and surveillance. He also emphasizes that nations have to spend their money on operations and deployable equipment instead of on static structures. NATO has already reformed the command structure and its agencies. Now the member nations need to do the same.<sup>49</sup> His second imperative is that nations need to specialize. He does not see the need for all countries to have every capability. Instead, the members of NATO can get more out of our money if nations specialize. The problem with that is of course that some countries will probably not accept giving up sovereignty. He gives the example of the three Baltic States that have specialized. They have given up their air forces to save money. Instead, air forces from allies police their air space and protect their sovereignty.<sup>50</sup> The last imperative is to seek multinational solutions. There are already well-established multinational solutions in NATO, such as the cooperation on the AWACS, or the strategic air transport.<sup>51</sup> Multinational cooperation is also working in military operations. In Afghanistan, we see multinational taskforces and even multinational battle groups. It is likely that Smarter Defense, when implemented, can provide NATO with more military

capability for the same money. This is why the U.S. has endorsed it. The Department of Defense paper "Priorities for the 21<sup>st</sup> Century Defense" stated: "In this resource-constrained era, we will also work with NATO allies to develop a "Smart Defense" approach to pool, share, and specialize capabilities as needed to meet 21<sup>st</sup> century challenges."<sup>52</sup>

The U.S. supports implementing Smarter Defense as a way to compensate for the lack of European military spending. Still it will be interesting to see if Smarter Defence will be a success. Is Smarter Defense likely to be the tool that satisfies the U.S. taxpayers and provides further capabilities to the alliance? The fact that the U.S. supports Smarter Defense is probably in recognition of the fact that the European countries are not willing to spend more money on defense. The rhetoric from former secretary Gates was very direct and clear. The U.S. realizes that all of Europe is well aware of the U.S. standpoint and dissatisfaction with the European commitment. Still, there is no will to comply with the goal to spend 2 % of GDP on defense. Will Smarter Defense do the trick? What is the risk? Is Smarter Defense the tool that the alliance needs in order to provide a more equitable burden sharing? Will the countries commit themselves to the concept to an extent that actually has an impact on the ability to provide more capability. When is a concept like that likely to be implemented, and is that timeframe acceptable? These are major concerns and they need to be addressed

Smarter Defense encompasses three elements as earlier explained: to prioritize, to specialize and seek multinational cooperation. To prioritize involves that the alliance directs the investments towards the capabilities the alliance needs. For a country to prioritize and invest in functional capabilities the alliance needs, such as medical

support, transportation, command and control et cetera implies that the country have to prioritize based on the needs of the alliance and not necessarily based on its own needs. To specialize effectively implies that each country has to direct investments to areas that the alliance needs which means that the country has to decommission some of its own capabilities and rely on other alliance members to provide it. The last imperative of Smarter Defense is multinational cooperation. Multinational cooperation implies that more countries provide funds for the acquisition of a specific capability, which each of them cannot afford to acquire on their own. It is symptomatic from all of the above that the three defining elements of Smarter Defense all rely on the fact that the individual countries have to give up sovereignty if Smarter Defense has to work. For a big country, especially the U.S., it will not have any impact on its capability and military possibilities. For small countries and countries with a less technological developed military, it is a quite different situation. For them Smarter Defense implies that they have to decommission military capabilities and thereby rely on the alliance to provide the military power that any individual country would like to have for itself. Nationalistic tendencies are not a good basis for international cooperation. In a time of financial unrest in the world especially in Europe where the European Union is under enormous stress and a collapse of the monetary system is possible most countries tend to take unilateral decisions and rely only on themselves. There is a risk that the populations of Europe tend to be more nationalistic due to the difficult situation. Furthermore, it will likely affect the will to give up sovereignty especially among some of the European countries. On the other hand, we have seen unification between some of the major countries in Europe, especially France and Germany, which are working

closely together to solve the European financial crisis are actively pursuing the goal to solve the crisis by cooperating. One way or the other the European countries' will to surrender sovereignty is probably affected by the financial difficulties of Europe. For most countries, those who are not that affected by the financial crisis are probably willing to work more closely together. In contradiction, some countries will probably prefer to refrain from integration and instead be more nationalistic.

From a time perspective there could be an issue that affects the success of Smarter Defense. Most European countries have already or are about to reduce their military spending. Most of the big European countries like the U.K., France and Germany have not yet collected the peace dividend but have plans to do so and are already under way to implement big reductions. The idea of Smarter Defense is born at a time where the U.S. and a handful of European NATO member countries have been to war for a decade. The end of that war is approaching, which is one reason why most nations are planning to reduce costs. We will therefore see reductions in military capacity. We will see reductions in structure, amalgamation and reduction of military formations, units and platforms. The fact that Smarter Defense is implemented at a time where the trend is to reduce may make it hard to find the necessary funding for the new concept. Smarter Defense will require investments in order to provide the military capabilities that the European countries do not have in their current inventory. The question is whether the time it will take to implement Smarter Defense and get the lacking capabilities operational is acceptable for the U.S. and the Alliance. From the European perspective, the plan is to save money. They want to collect the peace dividend and that is why it is likely that budgets will shrink at the same time units and

structures are decommissioned. It will be very interesting to see to what extent Europe provides funding for the acquisition of new equipment and capabilities. The risk is that the countries do not wish to provide the funding, which is necessary to provide new capabilities or that the time it will take to streamline the alliance, is unacceptable from a crisis response perspective.

The threats to the world have not ceased. The Arab spring is taking place right now. We see tensions in Yemen, Syria and rising tensions in the Middle East. Iran strives to become a nuclear power and the rhetoric about closing the Hormuz Strait is certainly a concern, because it implies that the relationship between Iran and the west has worsened. There are still a lot of potential conflicts in the world of today. The threat against the western world is evident. From that perspective the world will probably also in the near future face regional conflicts. Conflicts affect the international community, pose a threat to the stability in the Middle East, and have the potential to threaten the western world. Even though we have seen the end of the military intervention in Iraq and very soon will see substantial reduction of the number of forces deployed to Afghanistan, the international community is still likely to intervene in upcoming regional conflicts i.e. as we have seen in Libya. Operations like that will require a higher and higher degree of skilled and technological advanced militaries that have the ability to hit the enemy where and when NATO dictates it without causing collateral damage. This is not the only requirement. The military element of power must also possess the ability to intervene early to provide conflict prevention or mitigation. The regional conflicts we have seen in recent years have taken place in failed or failing states. That is likely also



to be the case in the future, which requires the ability to conduct post conflict operations and nation building.

Since the end of the Cold War, NATO has engaged in multiple operations. Especially after the 9/11 attacks allied partners have committed themselves side by side with the United States. For the first time NATO invoked Article 5 of the treaty. After the unilateral actions by the U.S. concerning Afghanistan and Iraq both Europe and the U.S. learned that it is politically important that the U.S. is not acting on its own but instead that there is a common understanding and support between the U.S. and Europe. In a globalizing world, alliances are important. The need for NATO and the need for the new strategic concept are well known. The threats that face the western world are evident. The world must deal with them. To do so takes cooperation and trans-Atlantic cohesion. Europe and the U.S. need each other as well as NATO. The problem is that the countries cannot agree on the funding. European States refuse to be told how much to pay and the U.S. will not pay the difference. From a European perspective the level of security, which the U.S. wants, is not necessary. Europe will accept a lower security level in order to save money because of the financial crisis. The Euro is under great stress and there is a risk that the European Union will crack. Europe's focus is elsewhere. In contrast, the U.S. has paid far too much of that bill so far, and will not continue doing so.

The fact that the Secretary General is going to implement Smarter Defense is probably in recognition of the improbability that the European nations are going to spend more on their military than they are doing right now. As shown earlier in this paper military expenditure cuts are still to come. He anticipates that there is no will in

Europe to spend more on security. That standpoint collides with the U.S. point to pay more. The dilemma for the United States is how to react to this situation. To what extent should the U.S. prosecute the 2 % spending rate now that it is less likely that the Europeans will comply with it? The End is to get Europe to provide more capabilities for NATO. How does the U.S. achieve that objective or to put it differently, what Ways are applicable. If Smarter Defense turns out to be a success and the European countries thereby are able to provide more capabilities for the same money, then the U.S. does not need to do anything. It is difficult to estimate to what extent Smarter Defense will succeed. If the U.S. does not do anything and accepts the actual spending, we could have a situation where Europe does not feel obliged to provide more than they do today. This would be risky for the alliance. The U.S. can still apply pressure on Europe and thereby continue the way former Secretary Gates followed i.e. to emphasize, via diplomacy, that Europe has to spend more on security. The risk is to overdo it and harm the cohesion of the trans-Atlantic relationship. For many years, the U.S. has been dissatisfied with the lack of European commitment and still is. Europe may not provide additional funding unless the U.S. puts maximum pressure on them and lets them understand, by action, that the U.S. will no longer pay for Europe's security.

### Conclusion

Smarter Defense is a very good idea. It will make western countries work more closely together. It will provide more military capability and most importantly capability that can match the future challenges for less money. Smarter Defense will address the burden-sharing problem and let Europe pay a bigger share of the burden. Nevertheless, it will take time to implement. The world cannot benefit from Smarter Defense tomorrow and still we have to be able to fight tomorrow's wars. The risk is that the western worlds

will not be ready to fight the wars of tomorrow unless the U.S. once again pays the price.

“NATO had in recent years lost track of its *raison d’être*. NATO needed a debate among all members of its future role in the changed security environment. In that sense the process towards the strategic concept was at least as important as the document itself.”<sup>53</sup> This statement might seem to be correct. The fact that NATO has had a very thorough debate about its *raison d’être* and has come up with a new strategic concept that all member countries agree upon may turn out to be the start of a new beginning. NATO has come to an agreement in the New Strategic Concept about the threats and challenges the western world faces. What needs to be seen is if the Alliance also in reality has the political will to and can agree to the tempo and extent to which NATO has to transform.

## Endnotes

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